

## THE HAWAIIAN GAZETTE

RODERICK O. MATHESON, EDITOR

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THE ADVERTISER'S SEMI-WEEKLY

## America "Kidding" Itself?

Is civilian America merely "kidding" itself that it is at war, and are the stay-at-homes treating it merely as an incident in the national life? Are they becoming self-complacent because they passed through the Spanish War without the war interfering with the daily routine of their lives, and concluding to treat the present world war as another "War with Spain?"

America has taken up many fads and played them to the limit. If the army is the fad of the hour it is made a hobby of the civilian population. If it is the navy, society has made the most of its opportunity to mingle with those entitled to wear the gold lace. If it is to give relief to this or that suffering nation, America digs down deeper into its pocket than any other nation. America plays hard and treats many serious phases of its own national life in an offhand way.

For nearly four years most of the great nations of the earth have been tearing each other's throats and slaying one another's peoples by millions, and America has watched the tragedy from afar. Like many a spectator, America was drawn into the strife and went to it like a goodnatured fellow who doesn't want to see the underdog licked. The rest of his fellows applauded and just "kidded" themselves into the belief that being a good stalwart American, the new fighter could take care of himself.

But in a free-for-all of this kind, many times one of the fellows being pummeled and to whose rescue the stalwart fellow broke into the fray, suddenly turns and delivers a blow from the rear and the rescuer finds himself in the predicament of trying to fight front and back. The good-natured spectators cheer the big fellow on, not realizing that he is handicapped, and likely to be given a blow that will at least make him groggy.

The spectators just "kid" themselves along on the good, old belief that their champion in the fray can't be licked, and do a little more cheering.

Then is the time for the spectators to throw off their coats and wade in and stop the treachery aimed at their fighter, and so it is time for America to quit "kidding" itself into the belief that as long as our big armies are moving toward the scene of battle overseas all they need is a lot of cheering and enthusiasm. It is time for America to take another notch in its belt, throw off its coat, turn up its sleeves, and wade in with fight only as the uppermost thought.

Russia has lain down beaten and let Germany prepare to walk over its prostrate form and kick it, and America is in the center of the fray and must fight as fights have never before fought, and every man and woman at home must stop cheering and look around for clubs that will knock the other fellows out. It means that the spectators have now to dig down into their pockets and shell out their good American dollars and gold pieces and quit "kidding" themselves that this is a fad of the decade. They must get ready for the greatest fight in all history.

## Mittel-Europa Again

ANNOUNCEMENT of the German demands and the probable enforced acceptance of them by the Bolshevik government revives visions of the long cherished Mittel-Europa dream of the Kaiser. A study of the map of Russia shows the territorial demands of Germany from Russia make up a large part of the tentative Teutonic map of Mittel-Europa. It covers the territory required for that project from Germany north to the Gulf of Finland. It would require only a little more machination, a little more diplomatic effort perhaps would do it, to bring in Finland according to the original plan. Then Denmark and Holland, Norway and Sweden are really and seriously threatened for they are a desirable though not essential part of the Mittel-Europa plan. With the demands from Russia granted, and with Finland brought in, the Western section of Mittel-Europa is complete.

In the East, however, plans have not gone so well. There are difficulties in Greece to be overcome by the Kaiser. There is still resistance in the Balkans. In Asia Minor plans are completely upset. But there is enough to be seen to awaken the Allies still further to the tremendous menace which confronts them as a direct result of the Russian collapse.

## War Thrift

IN his proclamation designating a thrift week Governor Lowden of Illinois says: "Our people have been noted for their extravagance and wastefulness. If we shall succeed in cutting out the waste and extravagance we shall easily be able to finance the war."

The national government is now spending money at the rate of \$10,000,000,000 a year, not including loans to our allies. These enormous and necessary sums cannot be raised without difficulty if Americans reduce their scale of living only in so far as they are compelled to do so by the increased cost of commodities.

The problem of "essential" and "nonessential" industry would soon disappear if every one strictly limited his consumption of nonessentials. It is precisely because there are millions of persons still wasting their money for luxuries and worse that labor is inadequate and transportation is congested. Saving to invest in war certificates therefore serves a twofold purpose: it provides money for the government and it promotes war production.

## The Week In the War

At any time the long postponed "drive" of the Teutons against the Western front may begin. Reports for the week indicate that the "big drive" may be directed not against the Western front alone but that it will be a drive in concert on the Western and the Italian fronts. The closing of the Swiss border, just as it was closed before the last great Austro-German drive against Italy, is significant of this. The objectives of the Teuton forces are still in the dark and will be so until the real drive is started.

More and more significant becomes the assertion that the United States forces will have their every ounce of energy called upon to stem the rush of the Teutonic tide when its billows start to break upon the Allied defenses in an effort to sweep them back. It is declared the American soldiers have been thrown into those sectors of the French front where our Allies were weakest and that there they will be called upon to breast the Hun attackers. Their hour of trial would appear to be close at hand.

People at home, who have as yet hardly realized what is before them and what this war really means, will soon have their awakening. Thus far the American losses have been, compared with those of the Allies, practically negligible but this will not continue. The United States, when it once takes up the weight of the burden that is its share, must expect some hard jolts. When those jolts come the spirit of the people will be roused as it has not yet been. We think now that we are doing something. When that time comes the aroused spirit of the people will recognize how really little have we at home been doing.

When the casualty lists begin to swell, as they have done for our Allies, when those lists include the names of neighbors, friends, relatives and sons, then the American people will really arise in their might. Then there will be no whining on food restrictions, on deprivations, on economies and on hardships for then the people will know it is our war and not the war of our Allies, three thousand miles away.

Each day of the past week there have come in reports of a "feeling out" of the positions by the belligerents. One day the reports have told of trench raids by the British, again the reconnoitering expeditions were conducted by the French and then have come reports of attacks by the Teutons. Such engagements are, in the view of the experts who tell us of the progress of the war, preliminary to great and sanguinary events. At any day the announcement of the beginning of this fighting may be expected.

Reports from the Western front and from the Italian front in the past seven days have given no details of any important engagements. The most significant items of Allied successes have come from Palestine where General Allenby's forces have proceeded to and beyond Jericho and have the fertile valley of the Jordan open before them, leading on into Damascus.

The submarine campaign gave the Teutons nothing to boast of. There was shown a decrease in the losses to Allied merchant shipping. What the losses to the Teutons in submarines destroyed or captured has been the reports have not shown but the losses of merchant vessels do not augur for a prolonged continuance of the campaign of unrestricted submarine on even the present terms of Teutonic claims of success.

At home there are indications of an agreement between the administration and the senate military committee forces. Beyond a doubt the investigation of war conduct affairs will bring salutary results. That investigation has served to awaken the administration as well as the people and it has not seriously shaken confidence in the administration. Compromise measures are likely to cut much of the red tape which has been almost as effective as enemy entanglements in delaying the desired progress of the United States in its campaign for active participation.

In Great Britain there has been something of an upset in government plans and somewhat of a victory for those who have opposed war policies as conducted and brought about the resignation of the chief of staff, General Robertson. This also may bring about a clarifying of the situation which will in the end be a benefit to that country and its Allies.

In Detroit the schools were closed that 10,000 tons of coal might be distributed among the poor. Hawaii could furnish climatic comfort for hundreds of Detroit people if the effort had been made to draw them here for winter.

The Territorial food administrator is reported to favor the more general use of the copper cent in Hawaii as an aid to economy. Fine. We can then save up a peck or so and go down to the market and get a fish for dinner.

Hawaii is certainly playing in hard luck for sugar transportation with misfortunes overtaking so many of the vessels which the shipping board undertakes to furnish for carrying the 1918 crop to market.

When compulsory food rationing goes into operation there will be no question of the observance of "less" days in Hawaii.

Those who winter in Hawaii conserve coal for those who have to remain on the mainland.

## BREVITIES

Nine negro soldiers were arrested late Saturday night for gambling at the Acme rooming house.

Mrs. M. B. Zumwalt announces the engagement of her daughter, Susie May, to Romeo A. Bienville. The wedding will take place in the early part of March.

David Kan, charged with malicious conspiracy in a grand jury indictment in connection with the theft of an automobile from Joseph Clark, was sentenced to serve not less than two years in Oahu prison yesterday by Circuit Judge William H. Heen.

The wedding of Charles C. Afong and Miss Lydia Ing was celebrated at St. Peter's Church last evening. Rev. Y. T. Kong performing the ceremony. A reception followed at the new home of the young couple, who slipped away to Haleiwa at the stroke of midnight.

The new eighteen loaf of bread which local bakeries have asked permission to bake will appear on the market within a few days under permission from the federal food administrator. The loaf will weigh three quarters of a pound and will be retailed at two for fifteen cents.

Goa Wan Hong, Chinese business agent, who recently pleaded not guilty to a charge of perjury in the circuit court, was charged yesterday to an additional charge of forgery made against him in a grand jury indictment. The perjury case will go to trial before Judge Heen on March 6.

On Thursday Moses T. Clegg was formally inducted into office as superintendent of the Queen's Hospital vice Werner Roehl, resigned. At the same time Doctors F. F. Heidemann, A. G. Hodgins, J. A. Morgan and Maj. Charles B. Cooper, M. R. C., were elected life members of the hospital.

The teachers in charge of the tabernacle of the Queen's Hospital, Miss Nina Adams and Miss Nancy Daniels wish to express thanks to Chief Thurston for the loan by the fire department of a white horse and for giving the services of Fireman Macey who acted as page.

Lu Haona Jr., of Wailua has written the sheriff a letter in which he applies for a position on the police force. He writes: "I respectfully request before your honor, mildness and tenderness and kindness and beg of you to acknowledge my beseech receipt court before police officer for Wailua district."

While visiting the Chinese graveyard in Manoa Valley yesterday afternoon Wong Mang, a seventy-year-old Chinese had his leg broken by a heavy boulder. The big stone rolled upon his limb and broke it just below the left thigh. It will take from four to six weeks for the fracture to heal, due to his advanced age.

Replying to the petition for divorce filed by Mrs. Cosy Mansbridge, her husband, Rowland Mansbridge, asserts in a cross bill that he has filed that his wife received letters from a man on one of the other islands which began, "My dear little girl," and, "My dear girl." Mansbridge asserts also that his wife "beat him up" on occasions.

"Rev." Sam Kamakaina who with "Princess" Theresa Wilcox Belliveau, and James Kealoha, indicted on charges of forgery in connection with the purported will of the late Queen Liliuokalani entered a plea of not guilty to the charge yesterday in the circuit court before Judge William H. Heen. The case has not yet been set for trial.

The riot squad of the police department was called to the Waikiki beach yesterday afternoon to stop a fight near the Moana Hotel. When the police arrived in the patrol wagon the fighters had dispersed, and it was found impossible to ascertain who were engaged in the affray or the cause, the officers reported when they returned to the station.

Mrs. Jennie C. Bell, principal of Moiliili School reported yesterday that up to Thursday, one hundred and forty-eight pupils out of the four hundred and thirty-eight attending the school have purchased war savings stamps amounting to \$144.50. Thirteen cards, each holding four dollars worth of stamps have already been deposited in a local bank.

Ah Ming, who was out on \$100 bail, was not in court when his case was called for trial by Circuit Judge William H. Heen this week and after the bail had been declared forfeited the court proceeded and the defendant was found guilty of the charge of maintaining a lottery. Sentence is to be pronounced Saturday. Ah Ming is said to be on the island of Hawaii.

Mrs. Ethel Coulter of Central Grammar school had in charge the training of the little girls who gave the flag drill, which was one of the most notable events of the children's festival at Punahou on the opening day of the Carnival. Mrs. Emma Nakukina and Fred Heckley directed the tableau "Hawaii" and the striking Japanese tableau was staged through the courtesy of Mr. Takamura.

Mrs. J. P. Denry, mother of the wife of Paymaster Phillips, U. S. N., of Pearl Harbor naval station, died at Kansas City, Missouri, on February 20. She was about sixty years of age and was a native of the State of Pennsylvania. Mrs. Phillips went East in January and had been with her mother about three weeks at the time of her death. The remains were buried in Kansas City.

On the charge that three Chinese stores failed to observe the fifty-fifty basis laid down by the federal food administration, Food Administrator J. P. Child issued orders yesterday that no supplies might be sold to Ah Chew Brothers, Leong Hong and Ah Chee. The cutting off of these stores from supplies will be enforced through a threat to other licensed retailers that their licenses will be revoked if they supply the three stores complained of.

**COLDS CAUSE HEADACHES**  
LAXATIVE BROMO QUININE removes the cause. Used the world over to cure a cold in one day. The signature of E. W. GROVE is on each box. Manufactured by the PARIS MEDICINE CO., St. Louis, U. S. A.

## PERSONALS

Speaker H. L. Holstein arrived from Hawaii in the Mauna Kea yesterday morning.

L. D. Timmons, editor of the Maui News, is a visitor in the city, arriving yesterday.

Mr. and Mrs. Frank F. Baldwin, of Punahou, Maui, were arrivals in the city yesterday.

Manager Peshallow of the Wailuku Plantation returned to Maui last night on the Clarendon.

Mrs. L. A. Andrews of Hilo, Hawaii, is visiting her daughter, Mrs. M. B. Zumwalt in this city.

Dr. W. H. Ketchum, who had an operation for appendicitis performed at the Queen's Hospital, was removed to his home last night.

Frank Moss, pianist, who was taken suddenly ill on Thursday and taken to the Queen's Hospital to undergo an operation, is reported as doing nicely.

Princess David Kawanakoa expects to leave for the mainland shortly, going East from San Francisco, and probably returning here again next summer.

John A. Bortfield of 3306 Gazette Avenue, is in the Queen's Hospital, following a general broken down in his health. While Mr. Bortfield's condition is serious, hopes are entertained for his recovery.

Guy N. Rothwell of Honolulu, has arrived at Norfolk Yard and has already met persons whom he knew in Hawaii. He is the son of Mrs. John Rothwell of this city. Young Rothwell is now in the U. S. Navy.

Rev. Dr. Geo. Wallace, who for seven years was at St. Andrew's Cathedral, after fifteen years of residence in Hawaii, is in town until March 1, having arrived by the Venezuela on the nineteenth. Doctor Wallace is retiring from missionary service. He is the guest of J. N. S. Williams.

Alexander G. Budge was called to service yesterday as a captain in the ordinance reserve, and is under instructions to proceed to Washington, D. C., at once. Captain Budge has been the local representative of the Babcock & Wilcox Company, and has been a resident of Honolulu for about a year and a half.

Princess David Kawanakoa plans to leave for San Francisco on the Mauna about next Wednesday. She will go from the Coast to New York and may return to Honolulu again this summer bringing her three children with her to spend the summer vacation. The daughters, Kapilani and Liliohalani, are in a convent in Honolulu, while the son, Kalakaua, is attending a military academy in the eastern states.

## ARMY AT WORK ON RIFLE MANUFACTURE

WASHINGTON, February 23—(Associated Press)—Announcement was made today at the war department that 200,000 rifles have been produced in the United States since April 6, 1917.

A statement by the ordinance department says that this is the greatest achievement of any country in a similar period. The statement adds that 200 officers, 80,000 men and 10,000 women are employed in the manufacture of rifles and cartridges.

## TO OPEN RAILROAD

STOCKHOLM, February 25—(Associated Press)—Regular passenger traffic soon is to be opened between Sweden and Finland over the route Stockholm and Raumo. This route is not only quicker than that via Torneo but will also give travellers an opportunity to avoid treatment now being experienced at Torneo from Russian soldiers.

## PASSENGERS ARRIVED

By air, Mauna Kea, February 23.—L. C. Ables, Miss Irene Bates, W. L. Benham, R. Bird, A. L. Brown, T. Buchanan, Mrs. H. B. Buckenridge, J. M. Burgoine, D. W. Campbell, Mrs. D. W. Campbell, George R. Carter, Mrs. Carter, R. C. Carter, Miss K. Collins, Master Walter K. Collins, Miss Harriet P. Collins, Miss Mary K. Collins, Mrs. E. J. Collins, C. H. Dillie, C. H. Dillie, Jr., Davidson, Miss Lila Durall, Mr. Emmert, Mrs. Emmert, S. D. Evans, Mrs. S. D. Evans, Miss Frances Evans, H. Fitzgerald, A. W. Follansbee, Walter Fox, Miss Bell Garabich, E. Garabich, Joseph Hayden, Miss Marie Hefflin, Mrs. H. H. Hefflin, Miss Herbert Hunt, Arthur W. Hoge, W. Hunt, Miss Emma A. Johnston, Miss K. M. Jones, Mrs. B. Kane, Miss L. L. Keefe, William Leubart, Master John W. Madden, Mrs. John Madden, Mrs. F. E. May, E. P. Meyers, Mrs. E. P. Meyers, F. B. Mosby, Mrs. E. Mosby, Miss Dorothy Owen, Miss Eleanor Payton, Al. Pluff, C. D. Reynolds, Mrs. C. D. Reynolds, Miss Edith Rich, Henry J. Rich, Henry J. Rich, Miss Marion Rollins, A. Rothchild, Mrs. A. Rothchild, Master Harry Rothchild, Mrs. A. Rothchild, Mrs. R. W. Rothchild, A. D. Shortt, Mrs. A. D. Shortt, Mrs. Frank Sparks, Ray Tompkins, Mrs. Ray Tompkins, Mrs. E. Walker, Mrs. E. Walker, Albert Waterhouse, Mrs. A. Will.

By air, Mauna Kea, February 23.—FROM HAWAII.—J. F. Ayers, Frank Buchanan, H. Lyons, and Mrs. C. E. Jennings, Mr. and Mrs. J. E. Grodon, Mrs. E. F. Parlin Porter, J. A. Yeomans, W. D. Nolan, Miss Harriet Bush, Mrs. W. Cabell and child, Master J. B. Morton, J. Solid, Mr. and Mrs. N. Little, W. Hauto, L. H. Stewart, Mrs. R. Dolan, Miss Dolan, E. A. Riese, George Wolf, E. W. Burgess, H. W. M. Mott, Mrs. A. L. Kyle, E. J. Carlin, Miss Mary Waili, Miss Lillian Waili, Charles Lewis, P. K. Walke, Chang Kee, G. H. Hatten, J. H. Hudd, D. Yankala, H. L. Holstein, Mrs. M. Mahelona, M. Scheid.

FROM MAUI.—Mr. and Mrs. Frank F. Baldwin, W. Collins, William Waili, H. D. Timmons, Ben A. Nelson, Mrs. A. Nelson, J. H. Dean, Mrs. Webber, Miss M. Fujigata, S. Hagan, N. Takakuwa.

## PASSENGERS DEPARTED

By air, Governor for San Francisco, February 23.—William B. N. R. Arroyo, J. Brown, J. C. Brown, T. P. Bush, Walter Bridges, P. C. Clark, Maj. F. C. Clinton, H. D. Timmons, M. M. Dillon, E. C. Envidson, Miss D. Cunningham, Mrs. L. O. Dominguez and infant, Capt. H. G. Davies, S. G. E. Davis, Mrs. M. M. Dillon, E. C. Envidson, Mrs. K. C. Envidson, W. P. English, Mrs. W. P. English, J. E. Elliot, Mrs. J. E. Elliot, E. H. Flynn, Chas. Forbes, J. E. Hiney, Thomas H. Hiney, Miss Dora Hiney, Mrs. H. Hiney, Mrs. B. Knack, Mrs. M. A. Knack and two children, Mrs. A. Knack, J. Kennedy, Capt. C. W. Lattimer, C. Lester, Capt. M. McCorriston, Miss E. McCorriston, M. A. Nelson, Mrs. A. Nelson, Capt. B. O. Nilson, Mrs. B. Packman, W. P. Palmer, Miss S. Palmer, H. Ransom, H. Simpson, A. Storman, Mrs. A. Storman and three children, J. S. Stewart, Mrs. J. S. Stewart, I. Spalding, J. E. Schmidt, Miss L. E. Shoenberg, Miss Clara Souza, H. Sweeney, Mrs. H. Sweeney, W. D. Vander Water, H. W. Weir, H. H. Wallace, F. L. Waldron.

## CORPORATION TAX FORMS NOW HERE

Great Flood of Cash Expected To Be Poured Into Internal Revenue Office By Local Concerns

With the arrival yesterday of the corporation income tax forms, all of the various forms used in the collection of income tax are now in the hands of the collector of internal revenue and from now on the current of cash that has been pouring into the internal revenue office will be swelled by the heavy payments of the big incorporated concerns of the Territory.

Under the thirty-day extension granted by the treasury department, corporations, as is the case with other subject to the income tax, have until April 1 in which to file their returns and until June 15 to pay the tax. The department has asked on patriotic grounds, however, that payments of tax be made at the time returns are filed. It is believed that in compliance with this request a large number of payments will be made within the next ten days.

The new forms for corporations, which have been so long delayed in delivery, are more intricate than the other income tax forms. Under the law they are to be used by all corporations except railroads and insurance companies.

A statement is required giving the total amount of paid-up capital stock outstanding at the close of the year, or if there is no capital stock, the capital other than interest-bearing indebtedness employed in the business at the close of the year. Also must be told the total amount of bonded or other interest-bearing indebtedness outstanding at the close of the year.

In determining income tax the gross sales and other income from operations together with income from rentals and royalties, from interest, dividends and from other sources must be given.

Under the head of deductions must be listed the cost of the goods or other property sold, general expenses, losses sustained and charged off, depreciation charged off, depletion charged off, interest paid on an indebtedness wholly secured by collateral, domestic taxes, not including income and excess profits taxes and foreign taxes paid. The various taxes paid are computed from the total income less the total deductions.

It is required that returns must be signed and verified by two officers of the corporation and must be sworn to. Corporations that fail to file returns within the time prescribed by law or which render false or fraudulent returns shall be liable to a fine of not more than \$10,000 and an additional tax of fifty percent in case of failure to file the return within the time prescribed by law, and 100 percent in the case of a false or fraudulent return. It is provided, however, that in case of delinquency, if the return is voluntarily filed without notice from the collector, and it is shown that delay in filing was due to a reasonable cause and not to wilful neglect, the fifty percent additional tax will not be assessed. A statement of the cause of delay must be attached to the delayed return.

## WAGE DEMANDS ARE FIGURED BY LANE

Says Increases Asked By Union Men Alone Will Amount To \$82,000,000 A Year

WASHINGTON, February 13—The first official indication of what proposed railroad wage increases would cost was given at today's hearing before the Railroad Wage Commission, when J. A. Franklin presented the claims of the railway employees' department of the American Federation of Labor.

"Figuring an average of thirty-three and a third percent increase, on the flat increases asked, the additional cost would be \$82,000,000 annually," Secretary Lane, chairman of the commission, computed.

Franklin said the estimate seemed correct, based upon increased cost of 250,000 organized men, but he suggested also that any increases should apply to unorganized workers of the same trades, numbering about 260,000, who were not figured in the rough calculation.

The wage basis asked was \$6 a day for skilled men such as carmen, machinists and blacksmiths, \$4.50 a day for unskilled men, such as carmen, for overtime Sunday and holiday work.

## 20,000,000 POUNDS OF BEANS FOR NAVY

SAN FRANCISCO, February 6—Twenty million pounds of Japanese beans, valued at between \$2,000,000 and \$3,000,000, have been ordered commandeered on the Pacific Coast for use of the navy department, through H. Clay Miller, Pacific Coast member of the committee on beans of the division of coordination of purchases of the United States food administration, it became known here today.

## FORMER MAYOR MITCHELL TO COMMAND BATTALION

WACO, Texas, February 8—Major John Purroy Mitchell, former mayor of New York City and candidate for re-election in a recent election when he was defeated by John F. Hylan, arrived here today and will command a battalion in the third regiment of 16,000 signal men being assembled here. Major Mitchell and fifty-seven other New York officers formed the party.

## GOVERNMENT ASKS MORE READY MONEY

Local Banks Notified Certificates Accepted In Payment For Third Liberty Loan Bonds

Lewis, Bank, Honolulu—New issue treasury certificates dated February 27, due May 28. Interest four one-half percent. Denominations five hundred to one hundred thousand dollars. Exempt from taxation. Will be accepted in payment third Liberty Loan Bond subscriptions. Payment may be made by credit. Cable subscriptions not later than March 5. Notify other banks in Hawaii. FEDERAL RESERVE BANK OF SAN FRANCISCO.

The foregoing telegram addressed to A. Lewis Jr., vice president and manager of the Bank of Hawaii, besides giving notice of another issue of short term treasury certificates at an increased rate of interest and stating that these may be used in paying subscriptions for the coming third Liberty Loan, raises a number of questions in connection with the third loan.

It is apparent that the government faces a number of serious problems in connection with the new loan that is soon to be floated.

The first Liberty Loan bonds carried a rate of three and a half percent interest. They were exempt from all taxation and could be exchanged for subsequent issues carrying a higher rate.

The second issue of Liberty Loan bonds saw the interest rate increased to four percent with the result that most of the purchasers of the original issue of three and a half percent bonds exercised their privilege of turning in these bonds with the lower rate for the newer issue. The second issue was also exempt from all tax save the surtax, which was imposed so that exceedingly wealthy persons might not be able to invest great sums and thus avoid taxation.

Due to scarcity of money, recent weeks have seen the new Liberty Loan 4's fall off and the current price now is between 96 and 97. As these bonds carry the same privilege of conversion that applied to the original issue, it is seen that if the third issue of Liberty Loan bonds comes out at the same rate of four percent, the government will find itself in the position of offering at par bonds that can be bought in the open market around 96. If the new issue should be brought out with a higher interest rate, the man who buys the second issue in the open market at 96 has the privilege of converting the bonds he buys into the bonds carrying the higher rate.

Another method, which it has been suggested may be followed when the new issue is brought out is that it will carry four percent and be offered by the government at 96. What effect this might have on the price of the bonds in the open market is a matter of conjecture.

It goes without saying that the Nation will speedily absorb the next and additional issues of Liberty Loan bonds, but it is also true that many difficult and intricate problems will have to be solved by the government when the new bonds come out.

## CALIFORNIA GETS MANY CONTRACTS FOR SHIPS

California shipbuilding yards have been awarded contracts by the government amounting to \$40,000,000, reports the Daily Journal of Commerce of a recent date. Five of the contracts have been turned over to wooden shipyards, which will build hulls according to instructions in "The Nation's Business of this month."

The yards that are building hulls and the amounts of their contracts are: Hammond Lumber Company, two ships, 7000 tons, \$600,000; and two ships, 7000 tons, \$580,000; Sommarstrom Shipbuilding Company, four ships, 14,000 tons, \$1,200,000; St. Helen Shipbuilding Company, two ships, 7000 tons, \$600,000; and the Benicia Shipbuilding Company, two ships, 7000 tons, \$600,000.

The steel yards and their contracts are: Moore & Scott Iron Works, 10 ships of 94,000 tons, \$15,022,516; Western Pipe and Steel Company, eight ships of 70,400 tons, \$10,824,000; Pacific Coast Shipbuilding Company, 10 ships, 94,000 tons, \$15,792,000.

## ISHII KNOWS NOW WHAT JOB HE HAS

TOKIO, February 23—(Special Cable to Nippon Jiji)—The foreign office yesterday officially notified Viscount K. Ishii of his appointment as ambassador to Washington. The appointment of Viscount Ishii has met with favor throughout the empire.

## DISCOVER PETROLEUM

LONDON, February 25—(Associated Press)—Despatches from Cairo announce the discovery of important petroleum springs on the shores of the Red Sea. British technical papers express the belief that the whole coast of Asia Minor is very rich in oil, and it is regarded as probable that great oil fields underlie the whole region and extend under the Red Sea itself well into Africa.

## DON'T COUGH.

It is absurd to allow a cough to hang on and sap your vitality when Chamberlain's Cough Remedy will cure you. You don't know where a persistent cough will land you. You can't afford to allow your throat and lungs to become diseased when it is such a simple thing to step into a chemist's shop and get a bottle of Chamberlain's Cough Remedy. For sale by all dealers, Benson, Smith & Co., Ltd., agents for Hawaii.—Adv.